Date: November 22, 2011

To: Human Resources Officers
Payroll Managers

From: Evelyn Nazario
Assistant Vice Chancellor
Human Resources Management

Subject: REMINDER: 2011 “Table of Workdays” Reconciliation Requirements

Overview

Audience: Campus Payroll Managers or designees responsible for deficit hour reconciliation reporting

Action Item: Provide annual deficit hours reconciliation report to Vice Chancellor of Human Resources by February 24, 2012

Affected Employee Groups/Units: Non-exempt employees on alternate/compressed work schedules

Summary

This Technical Letter provides information regarding the annual December review requirement for reconciling deficit hours for non-exempt employees whose work schedules differ from the State’s standard shift (Monday through Friday, eight hours per day).

The campus payroll manager, or designee responsible for deficit hour reconciliation reporting, should review the remainder of this technical letter for background information, reconciliation requirements, and sample reports.

Background

Coded memo HR 2003-28 advised campuses of certain recordkeeping and payment requirements for non-exempt employees subject to Fair Labor Standards Act (FLSA) regulations who are assigned to work week schedules that do not conform to the standard pay periods prescribed by the Department of Finance. Specific guidelines and instructions were provided to ensure FLSA compliance, including administration of the “Table of Workdays” method (also referred to as “plus/minus” or “excess/minus”). This method is used to maintain an accounting of deficits (debits) or excess hours (credits), as appropriate, for employees whose work schedules differ from the State’s standard shift (Monday through Friday, eight hours per day). ¹

¹ “Credits/excess hours” are regularly scheduled hours worked in excess of standard hours within a given pay period. “Debits/deficit hours” are regularly scheduled hours not worked by the employee within a given pay period that were paid by the employer.

Distribution:
CSU Presidents
Vice Chancellor, Human Resources
Employee Relations Designees
The FLSA provides certain record-keeping requirements for employees subject to FLSA, including the prompt payment of wages and payment of an employee’s minimum wages for all work actually performed in a given pay period. As a result, HR 2003-28 instructed campuses to review their current practices to ensure that requirements specific to recordkeeping and the administration of “excess” and/or “deficit” hour balances were satisfied.

As a reminder, all campuses must reconcile employees’ deficit hours at least once each calendar year in December and provide an annual report to the Vice Chancellor of Human Resources.

**December 2011 Reconciliation Requirements**

**December 2011 Reconciliation:** The December 2011 reconciliation timeline is the standard timeline. In consideration of campus leave posting practices, campuses are requested to reconcile deficit balances incurred from January through December 2011 and to furnish the required report to the Vice Chancellor of Human Resources by February 24, 2012.

**State University Police Association (SUPA):** As noted in Technical Letter HR/Salary 2010-24 Supplement #1, the requirements for the pay-out of excess hours (outlined in HR Letter 2003-28) were modified for Unit 8 employees assigned to alternate or compressed work week schedules effective the beginning of the January 2011 pay period. For Unit 8 employees, excess hours incurred in a given pay period are accumulated and carried forward as a balance to be used to offset any deficit hours incurred in a future pay period.

Annual reconciliation requirements remain in effect in that any deficit hour balances incurred from January through December will be offset by accumulated excess hours incurred in that same year, and if an excess hour balance remains, it will be reconciled and paid out as part of the annual reconciliation process in December. Refer to Technical Letter HR/Salary 2010-24 Supplement #1 for detailed information.

**Action Item**

Report deficit hours to the attention of Valerie Kerbs via e-mail at vkerbs@calstate.edu by Friday, February 24, 2012. Please report the deficit hours in the reporting format provided in Attachment A, which includes a sample on how to complete the report. If there are no deficit hours to report for your campus, please submit the report and indicate “NONE TO REPORT.”

Questions may be directed to Human Resources Management at (562) 951-4411. This Technical Letter is also available on the Human Resources Management’s web page at: http://www.calstate.edu/HRAdm/memos.shtml.

Attachment
EN/vk
**SAMPLE**

2011 Deficit Hours Reconciliation Report

<table>
<thead>
<tr>
<th>(A)</th>
<th>(B)</th>
<th>(C)</th>
<th>(D)</th>
<th>(E)</th>
<th>(F)</th>
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</thead>
<tbody>
<tr>
<td>Unit</td>
<td>Employee Name (Last, First Initial)</td>
<td>Class/Job Code</td>
<td>Total Deficit Hours</td>
<td>Leave Hours Used to Offset²</td>
<td>Accounts Receivable Amount Due³</td>
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<td></td>
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<td>Sample Format:</td>
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<td>n/a</td>
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<td>8810</td>
<td>20</td>
<td>20</td>
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¹ Pursuant to HR 2003-28, leave balances used to offset deficit hours may include vacation and compensatory time off (CTO) hours. “Holiday Credit” leave balances acquired under prior collective bargaining contract provisions or CSU policy also may be used. Sick leave hours are not eligible for supplementation for regular work hours unless the employee is sick. As a reminder, the minimum increment for Personal Holiday hours is “one unit” which equates to one day of an employee’s regular work schedule.

² Refer to SCO PPM Section I for processing instructions.

³ Return completed report to Valerie Kerbs via e-mail at: vkerbs@calstate.edu by February 24, 2012.
## 2011 Deficit Hours Reconciliation Report

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